Hearing Date And Time: February 24, 2009 at 10:00 a.m. (prevailing Eastern time)
Objection Deadline: February 17, 2009 at 4:00 p.m. (prevailing Eastern time)

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Retired Salaried Employee of Delphi Corporation Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11

DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)

Debtors. : (Jointly Administered)

U.S. BANKRUPTCY COURT, SDNY

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LETTER TO CONTEST DELPHI'S MOTION FOR ORDER UNDER 11 U.S.C. §§ 105, 363(b)(1), AND 1108 CONFIRMING DEBTORS' AUTHORITY TO TERMINATE EMPLOYER-PAID POSTRETIREMENT HEALTH CARE BENEFITS AND EMPLOYER-PAID POST-RETIREMENT LIFE INSURANCE BENEFITS FOR CERTAIN (A) SALARIED EMPLOYEES AND (B) RETIREES AND THEIR SURVIVING SPOUSES ("SALARIED OPEB TERMINATION MOTION")

## PRELIMINARY STATEMENT

I am a Delphi employee that recently retired on December 1, 2008. Last week I received notice that Delphi Corporation has filed a motion with the U.S. Bankruptcy Court to discontinue healthcare and life insurance benefits for salaried retirees. In addition, the notice stated that Retiree Health Reimbursement Accounts (RHRA) are being eliminated. The RHRA accounts were established several years ago when Delphi terminated health insurance coverage for retirees once they reach age 65. These accounts were created to aid the retiree in

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purchasing supplemental health insurance to bridge the gap between the coverage they will get from MediCare and what they were previously getting as a retiree prior to age 65.

I am contesting this motion for the following reasons:

- 1) Eliminating health care for retirees targets one small segment of Delphi's stakeholders (retirees under 65 years of age) and results in that group incurring a much greater burden than the other stakeholders (active salaried employees, salaried retirees over age 65, hourly workers, hourly retirees and stockholders). While I agree that all stakeholders must make concessions so that Delphi can emerge from bankruptcy and become a strong, viable company, it is unreasonable to expect that one group shoulder a greater burden than the others. To purchase the same health care coverage that I have today (based upon estimates provide by Delphi) will require that I spend 52% of my pension each month for health care. This is unreasonable and will create an enormous financial burden.
- Delphi changed their salaried retirement benefits policy in late 1992. Employees hired after December 31, 1992, were told by Delphi, at the time they were offered a job, that they would not receive health care benefits after retirement. Salaried employees in this category have known from their first day on the job that saving for health care insurance needed to be part of their retirement plan. People such as me, who were hired during the late 1960's, have been told by the company that we will receive health care coverage in retirement until age 65. Additionally, we were told that after age 65, health care will be provided via MediCare and that an RHRA spending account totaling \$10,000 would be available to purchase gap insurance. This was still the commitment by Delphi when I retired just two months ago. Had I known that Delphi would soon renege on their commitment to salaried retirees, I would not have elected to retire.

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## **SUMMARY**

Allowing Delphi Corporation to discontinue retiree health care benefits for salaried employees is a bad idea for three reasons:

- 1. It unfairly targets one small group of Delphi stakeholders
- 2. It has not allowed salaried retirees under the age of 65 adequate time to prepare for the expense of health care insurance
- 3. It eliminates the RHRA spending accounts that retirees over age 65 factored into their retirement plans to help pay for gap insurance that supplements MediCare benefits.

Delphi's request is ethically wrong, short-sighted and will work against the long-term interests of the company. For these reasons, I ask that the motion <u>not</u> be approved.

Dated: February 14, 2009

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